

ARTICLES OF INCORPORATION
OF
[ALASKA HEALTH FOUNDATION]

The undersigned, acting as the incorporators of a corporation under the provisions of the Alaska Nonprofit Corporation Act (AS 10.20) (the “**Act**”), hereby sign and verify the following Articles of Incorporation for such corporation.

ARTICLE I
NAME

The name of the corporation shall be the [“Alaska Health Foundation”] (hereinafter referred to as the “**Corporation**”).

ARTICLE II
DURATION

The duration of the existence of this Corporation shall be perpetual.

ARTICLE III
PURPOSES AND POWERS

Section 1. Purposes. The Corporation is organized exclusively for the promotion of social welfare and charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986 (the “**Code**”) subject to the limitations set forth in these Articles of Incorporation. Subject to Section 501(c)(4) of the Code and the regulations thereunder (as the same may be amended or replaced), the Corporation’s specific purposes are to promote the health of the residents of the State of Alaska by such measures as:

- (a) improve the availability of quality, affordable health care and related services;
- (b) address the unmet health needs of Alaskans;
- (c) support the education and availability of health care providers in Alaska and develop more efficient and effective models for promoting health in the state;
- (d) support programs of study and research aiming to make health and wellness resources more comprehensive, flexible, and efficient within Alaska;
- (e) support initiatives to address short and long-term public health needs and concerns; or
- (f) otherwise serve the health needs of residents of the State of Alaska.

It is the intent of the Corporation that all funds expended by the Corporation are to be used for the purpose of improving health and wellness of Alaskans and to enhance existing health and wellness resources. Funds provided by the Corporation should not, except in cases of temporary emergency, be used to supplant funds which are or should otherwise be available from other sources.

Section 2. Powers. In furtherance of the foregoing purposes, the Corporation may (i) receive property (including, without limitation, membership interests or ownership interests in PREMERA, a Washington nonprofit miscellaneous corporation, or any successor thereto, including without limitation stock in for-profit corporation that is a successor thereto) (collectively, the “**PREMERA Interests**”) in connection with PREMERA’s conversion from a nonprofit corporation to a for-profit corporation or otherwise; (ii) invest and reinvest the same, and consistent with the provisions hereof, applicable law, and any agreement, plan, or other instrument governing the property of the Corporation, apply the income and principal thereof, as the Board of Directors may from time to time determine either directly or through contributions to any charitable organization or organizations that are tax-exempt under the Code, exclusively for charitable, scientific, or educational purposes, provided that such contributions shall only be made for, and their use restricted to, promoting the health of the residents of the State of Alaska; and (iii) engage in any lawful activity which may be necessary, useful, or desirable for the furtherance, accomplishment, fostering, or attainment of the foregoing purposes, either directly or indirectly, and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments, or agencies. Subject to the foregoing, the above powers shall include the authority to exchange, transfer, or sell the PREMERA Interests.

Section 3. General. In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Corporation's Articles of Incorporation or Bylaws, the Corporation shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation's purposes.

ARTICLE IV LIMITATIONS AND CONDITIONS

Section 1. Activities Consistent with Limitations of Section 501(c)(4). Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities that are prohibited for a corporation exempt from federal income taxes under Section 501(c)(4) of the Code, or a successor provision thereof.

Section 2. Political Activity. The Corporation shall not participate, or intervene, in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 3. No Inurement to Private Persons. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any director, officer or other

private person except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered, and directors will be entitled to reimbursement for actual and necessary expenses incurred in the performance of their official duties.

Section 4. Annual Reporting. The Corporation shall report to the public at least annually information about the Corporation, which, by way of guideline only, shall be substantially equivalent to that required of organizations qualified under Section 501(c)(3) of the Code.

Section 5. Lobbying. The Corporation shall not devote more than an insubstantial portion of its activities that, within the meaning of the Code, would constitute lobbying, the carrying on of propaganda or otherwise attempting to influence legislation. Notwithstanding the purposes set forth above, (i) the Corporation shall not use any proceeds from the sale of PREMERA Interests, or any investment income on such proceeds as invested and reinvested, in furtherance of any activities that would constitute lobbying within the meaning of the Code and (ii) the Corporation shall not engage in any lobbying, within the meaning of the Code, in relation to any matters that may result in material adverse changes in the operations of Health Insurers. “Health Insurer” shall be defined as any entity engaged in the business of providing coverage of or the administration of health benefits, including, without limitation, any health insurer, health care service contractor, hospital and medical service corporation, health maintenance organization, health carrier or health plan in Alaska.

ARTICLE V MEMBERS

The Corporation shall have no members.

ARTICLE VI DIRECTORS

The management of the Corporation shall be vested in a Board of Directors. The Board of Directors shall consist of a minimum of three (3) directors, and a maximum of fifteen (15) directors. The number of directors shall be set from time to time by the Board of Directors, provided that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. The qualifications, terms of office, manner of election, criteria for removal, time and place of meetings, and powers and duties of the directors shall be prescribed in the Bylaws of the Corporation. The number of directors constituting the initial Board of Directors of the Corporation shall be three (3) director(s). The initial directors of the Corporation shall serve until their successors are elected and qualified in the manner set forth in the Bylaws. The names and addresses of the persons who are to serve as the initial directors of the Corporation are as follows:¹

¹ As discussed with Alaska State officials and their advisors, the initial Board of Directors (the “First Board”) will be appointed solely for purposes of creating the Foundation and applying to the Internal Revenue Service for recognition of the organization’s tax-exempt status. If all applicable state and regulatory approvals have been obtained with respect to PREMERA’s conversion, then the Attorney General of Alaska will appoint successor

Name
[director]

Address
[address]

ARTICLE VII DIRECTOR LIABILITY LIMITATIONS

Section 1. General. To the full extent that the Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of Directors, a Director of the Corporation shall not be liable to the Corporation for monetary damages for breach of fiduciary duty as a Director unless such conduct involves (a) a breach of a director's duty of loyalty to the corporation or its stockholders; (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or (c) a transaction from which the director derives an improper personal benefit. If the Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be deemed eliminated or limited to the full extent permitted by the Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for, or with respect to, an act or omission of such director occurring prior to such repeal or modification.

Section 2. Assets in Trust. If and to the extent assets held by the Corporation are deemed to be held in trust for purposes of AS 13.36, the specific requirements of such Chapter shall be expanded, restricted, eliminated or otherwise altered by the provisions of the Corporation's Articles and Bylaws. Without limiting the generality of the foregoing, the directors of the Corporation (and any officer, employee or agent acting under such directors) shall be relieved of the following duties and limitations under AS 13.36 with respect to the Corporation's receiving, holding and/or disposing of membership or ownership interests in PREMERA (or any successor thereto) ("PREMERA Interests"):

- (a) All requirements of AS 13.36.225 – AS 13.36.290, including, specifically:
 - (i) Any duty to beneficiaries under AS 13.36.245 and AS 13.36.250;
 - (ii) any duty to exercise due care and prudence under AS 13.36.230;
 - (iii) any duty to diversify investments under AS 13.36.235; and
 - (iv) the duties of AS 13.36.270 if deemed applicable to the directors;
and
- (b) Any other or successor statute of similar import.

directors, and the members of the First Board will resign and take all actions necessary to effect the installation of their successors, all pursuant to Section 3.5.2 of the Alaska Health Foundation's Bylaws.

If and to the extent the proceeds of sale of PREMERA Interests are deemed to be held in trust for purposes of AS 13.36, or subject to AS 13.36 in any respect, the provisions of AS 13.36 shall apply to such proceeds without regard to the provisions of this Article VII, Section 2.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS

Section 1. Definitions. As used in this Article VIII:

- (a) **“Agent”** means an individual who is, or was, an agent of the Corporation or an individual who, while an agent of the Corporation, is, or was, serving at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Agent” includes, unless the context requires otherwise, the estate or personal representative of an Agent.
- (b) **“Corporation”** means this Corporation, and any domestic or foreign successor entity.
- (c) **“Director”** means an individual who is, or was, a director of the Corporation or an individual who, while a director of the Corporation, is, or was, serving at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Director” includes, unless the context requires otherwise, the estate or personal representative of a Director.
- (d) **“Employee”** means an individual who is, or was, an employee of the Corporation or an individual who, while an employee of the Corporation, is, or was, serving at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Employee” includes, unless the context requires otherwise, the estate or personal representative of an Employee.
- (e) **“Expenses”** means all fees and expenses incurred in any Proceeding, including without limitation, the fees and expenses of counsel.
- (f) **“Indemnitee”** means an individual made a Party to a Proceeding because the individual is, or was, a Director, Officer, Employee, or Agent, and who possesses indemnification rights pursuant to the Articles of Incorporation, the Corporation’s Bylaws, or other corporate action. The term shall also include, for Officers, Employees, or Agents, service at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Indemnitee” shall also include the heirs, executors, and other successors in interest of such individuals.

(g) “**Liability**” means the obligation to pay a judgment, settlement, penalty, or fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable Expenses incurred with respect to a Proceeding.

(h) “**Officer**” means an individual who is, or was, an officer of the Corporation or an individual who, while an officer of the Corporation, is, or was, serving at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Officer” includes, unless the context requires otherwise, the estate or personal representative of an Officer.

(i) “**Party**” includes an individual who was, is, or is threatened to be, named a defendant or a respondent in a Proceeding.

(j) “**Proceeding**” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

Section 2. Authority to Indemnify. Pursuant to AS 10.20.011, the Corporation shall have the power and duty to indemnify, including advancing Expenses to, any Director, Officer, Employee or Agent of the Corporation made, or threatened to be made, a party to any Proceeding by reason of the fact that he or she is, or was, a Director, Officer, Employee or Agent of the Corporation, or arising out of his or her activities undertaken on behalf of the Corporation, except that such indemnity shall not apply in relation to matters in which that person was adjudged, in the action, suit or proceeding, to be liable for negligence or misconduct in the performance of corporate duties.

This indemnity shall continue after a person has ceased to be a Director, Officer, Employee or Agent of the Corporation and may inure to the benefit of the heirs, executors, and administrators of such a person.

Section 3. Indemnification Rights of Directors, Officers, Employees and Agents. Notwithstanding Section 2 hereof, the Corporation shall indemnify its Directors, Officers, Employees and Agents to the full extent permitted by applicable law as then in effect against Liability arising out of a Proceeding to which such individual was made a Party because the individual is or was a Director, Officer, Employee or Agent of the Corporation. The Corporation shall advance Expenses incurred by such persons who are parties to a Proceeding in advance of final disposition of the Proceeding, as provided herein. The right to indemnification and the payment of Expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of disinterested Directors or otherwise.

Section 4. Procedure for Seeking Indemnification and/or Advancement of Expenses.

Section 4.1. Notification and Defense of Claim. Indemnatee shall promptly notify the Corporation, in any manner and by any means permitted under the Act, of any Proceeding for which indemnification could be sought under this Article. In addition, Indemnatee shall give the Corporation such information and cooperation as it may reasonably require and as shall be within Indemnatee's power. With respect to any such Proceeding as to which Indemnatee has notified the Corporation:

- (a) The Corporation shall be entitled to participate therein at its own expense; or
- (b) Except as otherwise provided below, to the extent that it may wish, the Corporation, jointly with any other indemnifying Party similarly notified, will be entitled to assume the defense thereof, with counsel satisfactory to Indemnatee. Indemnatee's consent to such counsel may not be unreasonably withheld.

After notice from the Corporation to Indemnatee of its election to assume the defense, the Corporation will not be liable to Indemnatee under this Article for any Expenses subsequently incurred by Indemnatee in connection with such defense. However, Indemnatee shall continue to have the right to employ its counsel in such Proceeding, if:

- (i) The employment of counsel by Indemnatee has been authorized by the Corporation, in which case all Expenses shall be borne by Indemnatee;
- (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnatee in the conduct of such defense, in which case all Expenses shall be borne by Indemnatee; or
- (iii) The Corporation shall not, in fact, have employed counsel to assume the defense of such Proceeding, in which case Expenses related to Indemnatee's counsel shall be borne by the Corporation.

The Corporation shall not be entitled to assume the defense of any Proceeding brought by, or on behalf of, the Corporation or as to which Indemnatee shall reasonably have made the conclusion that a conflict of interest may exist between the Corporation and the Indemnatee in the conduct of the defense.

Section 4.2. Information to be Submitted and Method of Determination and Authorization of Indemnification. For the purpose of pursuing rights to indemnification under this Article, Indemnatee shall submit to the Board or Directors a sworn statement requesting indemnification and reasonable evidence of all amounts for which such indemnification is requested (together, the sworn statement and the evidence constitute an "Indemnification Statement").

Submission of an Indemnification Statement to the Board of Directors shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Corporation shall, within sixty (60) calendar days thereafter, make the payments requested in the Indemnification Statement to, or for the benefit of, the Indemnitee, unless: (a) within such sixty (60) calendar day period it shall be determined by the Corporation that the Indemnitee is not entitled to indemnification under this Article; (b) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption); and (c) the Indemnitee shall receive notice of such determination, which notice shall be given in any manner and by any means permitted under the Act, and shall disclose with particularity the evidence upon which the determination is based.

The foregoing determination shall be made (a) by the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; (b) if a quorum cannot be obtained under (a) in this paragraph, by majority vote of a committee duly designated by the Board of Directors, in which designation Directors who are parties may participate, consisting solely of two or more Directors not at the time parties to the Proceeding; or (c) special legal counsel selected by the majority vote of a quorum of the Board of Directors not at the time parties to the Proceeding.

Any determination that the Indemnitee is not entitled to indemnification, and any failure to make the payments requested in the Indemnification Statement, shall be subject to judicial review by any court of competent jurisdiction.

Section 4.3. Special Procedure Regarding Advance for Expenses. An Indemnitee seeking payment of Expenses in advance of a final disposition of the Proceeding must furnish the Corporation, as part of the Indemnification Statement:

- (a) an affirmation, given in any manner and by any means permitted under the Act, of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct required to be eligible for indemnification; and
- (b) an undertaking, made in any manner and by any means permitted under the Act, constituting an unlimited general obligation of the Indemnitee, to repay the advance if it is ultimately determined by the final disposition of a court of competent jurisdiction that the Indemnitee did not meet the required standard of conduct.

If the Corporation determines that indemnification is authorized, the Indemnitee's request for advance of Expenses shall be granted.

Section 4.4. Settlement. The Corporation is not liable to indemnify Indemnitee for any amounts paid in settlement of any Proceeding without the Corporation's consent, given in any manner and by any means permitted under the Act. The Corporation shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's consent, given in any manner and by any means permitted under the Act. Neither the Corporation nor Indemnitee may unreasonably withhold its consent to a proposed settlement.

Section 5. Contract and Related Rights.

Section 5.1. Contract Rights. The right of an Indemnitee to indemnification and advancement of Expenses is a contract right upon which the Indemnitee shall be presumed to have relied in determining to serve, or to continue to serve, in his or her capacity with the Corporation. Such right shall continue as long as the Indemnitee shall be subject to any possible Proceeding. Any amendment to, or repeal of, this Article shall not adversely affect any right or protection of an Indemnitee with respect to any acts or omissions of such Indemnitee occurring prior to such amendment or repeal.

Section 5.2. Optional Insurance, Contracts, and Funding. The Corporation may:

- (a) maintain insurance, at its expense, to protect itself and any Indemnitee against any Liability;
- (b) enter into contracts with any Indemnitee in furtherance of this Article and consistent with the Act; and
- (c) create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

The Corporation's indemnity of any person indemnified by this Article VIII, or who is otherwise entitled to indemnification, shall be reduced by any amount collected by such person (i) under an insurance policy purchased in such person's behalf by the Corporation or another person or entity, and (ii) from another person or entity.

Section 5.3. Severability. If any provision or application of this Article shall be invalid or unenforceable, the remainder of this Article and its remaining applications shall not be affected thereby, and shall continue in full force and effect.

Section 5.4. Right of Indemnitee to Bring Suit. If (a) a claim under this Article for indemnification is not paid in full by the Corporation within sixty (60) days after a claim, given in any manner and by any means permitted under the Act, has been received by the Corporation; or (b) a claim under this Article for advancement of Expenses is not paid in full by the Corporation within twenty (20) days after claim, given in any manner and by any means permitted under the Act, has been received by the Corporation, then the Indemnitee may, but need not, at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the extent successful in whole or in part, the Indemnitee shall be entitled to also be paid the expense (to be proportionately prorated if the Indemnitee is only partially successful) of prosecuting such claim.

Neither (a) the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such

Proceeding that indemnification or reimbursement or advancement of Expenses to the Indemnatee is proper in the circumstances, nor (b) an actual determination by the Corporation (including its Board of Directors or its independent legal counsel) that the Indemnatee is not entitled to indemnification or to the reimbursement or advancement of Expenses, shall be a defense to the Proceeding or create a presumption that the Indemnatee is not so entitled.

Section 5.5. Contribution. If an Indemnatee is not paid the indemnification provided in this Article VIII for any reason other than because the indemnification is prohibited by the Act (for example, because indemnification is held to be against the public policy even though otherwise permitted under this Article), then in any Proceeding in which the Corporation is jointly liable with the Indemnatee (or would be if joined in such Proceeding), the Corporation shall contribute to the Indemnatee's loss in an amount that reflects the following:

- the relative benefits received by the Corporation as compared to the Indemnatee from the transaction from which such Proceeding arose, and
- the relative fault of the Corporation as compared to the Indemnatee that resulted in such loss, and
- any other equitable consideration.

The relative benefits received by, and fault of, the Corporation on the one hand, and the Indemnatee on the other shall be determined by a court of appropriate jurisdiction (which may be the same court in which the Proceeding took place) with reference to, among other things, the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent the circumstances resulting in such loss. The Corporation agrees that it would not be just and equitable if contribution pursuant to this section was determined by pro rata allocation or any other method of allocation that does not take account of the foregoing equitable considerations.

Section 6. Exceptions. Any other provision herein to the contrary notwithstanding, the Corporation shall not be obligated pursuant to the terms of this Article to indemnify or advance Expenses to Indemnatee with respect to any Proceeding:

Section 6.1. Claims Initiated by Indemnatee. Initiated or brought voluntarily by Indemnatee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under the Bylaws, or any other statute or law or as otherwise required under the statute; but such indemnification or advancement of Expenses may be provided by the Corporation in specific cases if the Board of Directors finds it to be appropriate.

Section 6.2. Lack of Good Faith. Instituted by Indemnatee to enforce or interpret rights under the Bylaws, if a court of competent jurisdiction determines that each of the material assertions made by Indemnatee in such Proceeding was not made in good faith or was frivolous.

Section 6.3. Insured Claims. For which any of the Expenses or Liabilities for indemnification is being sought have been paid directly to Indemnitee by an insurance carrier under a policy of officers' and directors' liability insurance maintained by the Corporation.

Section 6.4. Prohibited by Law. If the Corporation is prohibited by the Act or other applicable law as then in effect from paying such indemnification and/or advancement of Expenses.

ARTICLE IX BYLAWS

The authority to make, alter, amend, or repeal Bylaws in any manner not inconsistent with the provisions of these Articles of Incorporation is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board of Directors by the affirmative vote of three-fourths (3/4) of the directors then in office and advance written approval of the Attorney General of the State of Alaska.

ARTICLE X AMENDMENT

These Articles of Incorporation may be amended by the directors upon (i) the affirmative vote of three-fourths (3/4) of the directors then in office, but in no event can Article III ("Purposes and Powers") be amended to be inconsistent with the purpose of promoting the health of the residents of the State of Alaska; and (ii) other than with respect to amendments of Article XI ("Registered Office and Agent"), no amendment to the Articles of Incorporation may be adopted without the advance written approval of the Attorney General of the State of Alaska.

ARTICLE XI REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation shall be 801 W 10th St., Suite 300, Juneau, AK 99801. The name of the initial registered agent of the Corporation at such address shall be CT Corporation.

ARTICLE XII DISSOLUTION

Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation and compliance with AS 10.20.295, shall be distributed to a charitable organization or organizations recognized as tax-exempt under section 501(c)(3) of the Code, or a successor provision thereof, and used exclusively to accomplish the Corporation's purposes.

**ARTICLE XIII
INCORPORATOR**

The names and addresses of the three (3) incorporators of the Corporation are as follows:

[Name]
[Address]

[Name]
[Address]

[Name]
[Address]

IN WITNESS WHEREOF, the undersigned have signed these Articles of Incorporation
this ____ day of _____, 200_.

[Name]
Incorporator

[Name]
Incorporator

[Name]
Incorporator

CONSENT TO APPOINTMENT AS REGISTERED AGENT

CT Corporation hereby consents to serve as registered agent, in the State of Alaska, for *[Alaska Health Foundation]* (the "Corporation"). We understand that as agent for the Corporation, it will be our responsibility to accept service of process in the name of the Corporation; to forward all mail and license renewals to the appropriate officer(s) of the Corporation; and to notify the Office of the Secretary of State immediately of our resignation, or of any changes in the address of the registered office of the Corporation for which we are agent.

Date: _____, 20____.

CT Corp.

By _____

[INSERT WHEN AVAILABLE]

Address:

801 W 10th St. Suite 300
Juneau, AK 99801